A.   AMENDMENTS TO THE SPECIFICATION

On Page 1, please delete Section [0001] as follows:

[0001] ~~This application is a continuation-in-part of and claims priority to U.S. Patent~~ ~~Application Number 09/884,816 (Attorney Docket No. 56055-0013) filed on June 18, 2001, the~~ ~~entire contents of which are incorporated herein by reference in their entirety for all purposes,~~ ~~which is a continuation-in-part of U.S. Patent Application Number 09/561,041, now issued as~~ ~~U.S. Patent No. 6,584,450 (Attorney Docket No. 56055-0011), filed on April 28, 2000 and also~~ ~~claims priority to U.S. Provisional Patent Application Number 60/212,193 (Attorney Docket No.~~ ~~56055-0012) filed on June 16, 2000 and U.S. Provisional Patent Application Number 60/244,793~~ ~~(Attorney Docket No. 56055-0014) filed on October 31, 2000.~~

On Page 16, please amend Section [0054] as follows:

[0054]   FIG. 6 is a flow diagram that illustrates an approach for renting A/V items 512, e.g., movies, to customers over a communications network such as the Internet using both "Max Out" and "Max Turns" according to an embodiment. Referring also to <u>FIG. 6,</u> ~~FIG. 5,~~ after starting in step 602, in step 604, a customer 502 enters into a rental agreement with provider 504. In the present example, customer 502 uses a generic web browser to access an Internet web site associated with provider 504 and enter into a rental agreement that specifies that customer 502 may maintain a personal inventory of four movies ("Max Out" of four) and receive up to four new movies per month ("Max Turns" of four). Furthermore, the rental agreement specifies that new movies will be delivered upon return of a rented movie from customer 502, i.e., the delivery criteria is a return of a movie by the customer.

On Page 42, please amend Section [0110] as follows:

[0110]   The term "machine-readable medium" as used herein refers to any medium that participates in providing data that causes a machine to operation in a specific fashion. In an embodiment implemented using computer system 1100, various machine-readable media are involved, for example, in providing instructions to processor 1104 for execution. Such a medium may take many forms, including but not limited to, non-volatile media <u>and</u>~~,~~ volatile

media, and transmission media. Non-volatile media includes, for example, optical or magnetic disks, such as storage device 1110. Volatile media includes dynamic memory, such as main memory 1106. Transmission media includes coaxial cables, copper wire and fiber optics, including the wires that comprise bus 1102. Transmission media can also take the form of acoustic or light waves, such as those generated during radio wave and infrared data communications.

On Page 43, please amend Section [0111] as follows:

[0111] Common forms of machine-readable media include, for example, a floppy disk, a flexible disk, hard disk, magnetic tape, or any other magnetic medium, a CD-ROM, any other optical medium, punchcards, papertape, any other physical medium with patterns of holes, a RAM, a PROM, and EPROM, a FLASH-EPROM, any other memory chip or cartridge, a carrier wave as described hereinafter, or any other medium from which a computer can read.

On Page 44, please amend Section [0114] as follows:

[0114] Network link 1120 typically provides data communication through one or more networks to other data devices. For example, network link 1120 may provide a connection through local network 1122 to a host computer 1124 or to data equipment operated by an Internet Service Provider (ISP) 1126. ISP 1126 in turn provides data communication services through the worldwide packet data communication network now commonly referred to as the "Internet" 1128. Local network 1122 and Internet 1128 both use electrical, electromagnetic or optical signals that carry digital data streams. The signals through the various networks and the signals on network link 1120 and through communication interface 1118, which carry the digital data to and from computer system 1100, are exemplary forms of carrier waves transporting the information.

On Page 44, please amend Section [0115] as follows:

[0115] Computer system 1100 can send messages and receive data, including program code, through the network(s), network link 1120 and communication interface 1118. In the Internet example, a server 1130 might transmit a requested code for an application program through Internet 1128, ISP 1126, local network 1122 and communication interface 1118.

The received code may be executed by processor 1104 as it is received, and/or stored in storage device 1110, or other non-volatile storage for later execution. ~~In this manner, computer system 1100 may obtain application code in the form of a carrier wave.~~